

Federal Acquisition Regulation

19.1005

19.1002 Definitions.

Emerging small business, as used in this subpart, means a small business concern whose size is no greater than 50 percent of the numerical size standard applicable to the North American Industry Classification System (NAICS) code assigned to a contracting opportunity.

Emerging small business reserve amount, for the designated groups described in 19.1005, means a threshold established by the Office of Federal Procurement Policy of—

- (1) \$25,000 for construction, refuse systems and related services, and non-nuclear ship repair; and
- (2) \$50,000 for architectural and engineering services.

[54 FR 5055, Jan. 31, 1989, as amended at 65 FR 16276, Mar. 27, 2000; 65 FR 46056, July 26, 2000]

19.1003 Purpose.

The purpose of the Program is to—

(a) Assess the ability of small businesses to compete successfully in certain industry categories without competition being restricted by the use of small business set-asides. This portion of the program is limited to the four designated industry groups listed in section 19.1005.

(b) Expand small business participation in 10 targeted industry categories through continued use of set-aside procedures, increased management attention, and specifically tailored acquisition procedures, as implemented through agency procedures.

(c) Measure the extent to which awards are made to a new category of small businesses (ESB's), and to provide for certain acquisitions to be reserved for ESB participation only. This portion of the program is also limited to the four designated industry groups listed in section 19.1005.

[54 FR 5055, Jan. 31, 1989, as amended at 55 FR 52792, Dec. 21, 1990; 63 FR 9057, Feb. 23, 1998; 65 FR 16276, Mar. 27, 2000]

19.1004 Participating agencies.

The following agencies have been identified as participants in the demonstration program:

- The Department of Agriculture.
- The Department of Defense, except the National Imagery and Mapping Agency.
- The Department of Energy.
- The Department of Health and Human Services.
- The Department of Interior.
- The Department of Transportation.
- The Department of Veterans Affairs.
- The Environmental Protection Agency.
- The General Services Administration.
- The National Aeronautics and Space Administration.

[54 FR 5055, Jan. 31, 1989, as amended at 54 FR 29281, July 11, 1989; 55 FR 38516, Sept. 18, 1990; 63 FR 58602, Oct. 30, 1998]

19.1005 Applicability.

- (a) *Designated industry groups.*

NAICS code	NAICS description
Construction (except dredging) Subsector 233—Building, Developing, and General Contracting	
23311	Land Subdivision and Land Development.
23321	Single Family Housing Construction.
23322	Multifamily Housing Construction.
23331	Manufacturing and Industrial Building Construction.
23332	Commercial and Institutional Building Construction.
Subsector 234—Heavy Construction	
23411	Highway and Street Construction.
23412	Bridge and Tunnel Construction.
23491	Water, Sewer, and Pipeline Construction.
23492	Power and Communication Transmission Line Construction.
23493	Industrial Nonbuilding Structure Construction.
23499	All Other Heavy Construction.
Subsector 235—Special Trade Contractors	
23511	Plumbing, Heating, and Air-Conditioning Contractors.

NAICS code	NAICS description
23521	Painting and Wall Covering Contractors.
23531	Electrical Contractors.
23541	Masonry and Stone Contractors.
23542	Drywall, Plastering, Acoustical, and Insulation Contractors.
23543	Tile, Marble, Terrazzo, and Mosaic Contractors.
23551	Carpentry Contractors.
23552	Floor Laying and Other Floor Contractors.
23561	Roofing, Siding, and Sheet Metal Contractors.
23571	Concrete Contractors.
23581	Water Well Drilling Contractors.
23591	Structural Steel Erection Contractors.
23592	Glass and Glazing Contractors.
23593	Excavation Contractors.
23594	Wrecking and Demolition Contractors.
23595	Building Equipment and Other Machinery Installation Contractors.
23599	All Other Special Trade Contractors.
Nonnuclear Ship Repair	
336611	Ship Building and Repairing Architectural and Engineering Services (including surveying and mapping)
54131	Architectural Services.
54133	Engineering Services.
54136	Geophysical Surveying and Mapping Services.
54137	Surveying and Mapping (except Geophysical) Services.
Refuse Systems and Related Services	
562111	Solid Waste Collection.
562119	Other Waste Collection.
562219	Other Nonhazardous Waste Treatment and Disposal.

(b) *Targeted industry categories.* Each participating agency, in consultation with the Small Business Administration, designates its own targeted industry categories for enhanced small business participation.

[55 FR 52792, Dec. 21, 1990, as amended at 59 FR 67036, Dec. 28, 1994; 64 FR 16276, Mar. 27, 2000; 65 FR 46056, July 26, 2000; 66 FR 65370, Dec. 18, 2001]

19.1006 Exclusions.

This subpart does not apply to—

- (a) Orders placed against Federal Supply Schedules;
- (b) Contract awards to educational and nonprofit organizations; or
- (c) Contract awards to governmental entities.

[65 FR 16276, Mar. 27, 2000]

19.1007 Procedures.

(a) *General.* (1) All solicitations must include the applicable NAICS code and size standards.

(2) The face of each award made pursuant to the program must contain a statement that the award is being issued pursuant to the Small Business

Competitiveness Demonstration Program.

(b) *Solicitations greater than the ESB reserve amount.* (1) Solicitations for acquisitions in any of the four designated industry groups that have an anticipated dollar value greater than the emerging small business reserve amount must not be considered for small business set-asides under subpart 19.5. However, agencies may reinstate the use of small business set-asides as necessary to meet their assigned goals, but only within organizational units that failed to meet the small business participation goal.

(2) Acquisitions in the designated industry groups must continue to be considered for placement under the 8(a) Program (see subpart 19.8) and the HUBZone Program (see subpart 19.13).

(c) *Solicitations equal to or less than the ESB reserve amount.* (1) Solicitations for acquisitions in the four designated industry groups with an estimated value equal to or less than the emerging small business reserve amount must be set aside for ESBs, provided that the contracting officer determines that there is a reasonable expectation of obtaining offers from two or more